

Public Safety Local Option Income Tax **(LIT)**

*Resolution for Consideration by the
Tippecanoe County Income Tax Council*

Presentation: September 5, 2019

IC 6-3.6-2-14 "Public safety"

Sec. 14. "Public safety" refers to the following:

- (1) A [police and law enforcement system](#) to preserve public peace and order.
- (2) A firefighting and fire prevention system
- (3) Emergency ambulance services
- (4) Emergency medical services
- (5) Emergency action
- (6) A [probation department](#) of a court
- (7) Confinement, supervision, services under a [community corrections program](#), or other correctional services for a person who has been:
 - (A) diverted before a final hearing or trial under an agreement that is between the county prosecuting attorney and the person or the person's custodian, guardian, or parent and that provides for confinement, supervision, community corrections services, or other correctional services instead of a final action described in clause (B) or (C);
 - (B) convicted of a crime; or
 - (C) adjudicated as a delinquent child or a child in need of services.
- (8) A juvenile detention facility
- (9) A juvenile detention center
- (10) A [county jail](#)
- (11) A communications system, an enhanced [emergency telephone system](#), a PSAP that is part of the statewide 911 system and located within the county, or the statewide 911 system.
- (12) [Medical and health expenses for jailed inmates](#) and other confined persons.
- (13) [Pension payments](#) for any of the following:
 - (A) A member of a fire department or any other employee of the fire department.
 - (B) A member of a police department, a police chief hired under a waiver under IC 36-8-4-6.5, or any other employee hired by the police department.
 - (C) A [county sheriff or any other member of the office](#) of the county sheriff.
 - (D) Other personnel employed to provide a service described in this section.
- (14) [Law enforcement training](#).



As added by P.L.243-2015, SEC.10. Amended by P.L.197-2016, SEC.44; P.L.247-2017, SEC.7.

Indiana Code 6-3.6-6-8

(b) Except as provided in subsection (c), the amount of the certified distribution that is allocated to public safety purposes, and after making allocations under [IC 6-3.6-11](#), shall be **allocated to the county and to each municipality in the county that is carrying out or providing at least one (1) public safety purpose**. For purposes of this subsection, in the case of a consolidated city, the total property taxes imposed by the consolidated city include the property taxes imposed by the consolidated city and all special taxing districts (except for a public library district, a public transportation corporation, and a health and hospital corporation), and all special service districts. The amount allocated under this subsection to a county or municipality is equal to the result of:

(1) the amount of the remaining certified distribution that is allocated to public safety purposes; multiplied by
(2) a fraction equal to:

(A) in the case of a county that initially imposed a rate for public safety under [IC 6-3.5-6](#) (repealed), the result of the total property taxes imposed in the county by the county or municipality for the calendar year preceding the distribution year, divided by the sum of the total property taxes imposed in the county by the county and each municipality in the county that is entitled to a distribution under this section for that calendar year; or

(B) in the case of a county that initially imposed a rate for public safety under [IC 6-3.5-1.1](#) (repealed) or a county that did not impose a rate for public safety under either [IC 6-3.5-1.1](#) (repealed) or [IC 6-3.5-6](#) (repealed), the result of the attributed allocation amount of the county or municipality for the calendar year preceding the distribution year, divided by the sum of the attributed allocation amounts of the county and each municipality in the county that is entitled to a distribution under this section for that calendar year.

2019 Income Tax Council Vote Allocation

	<u>Population</u>	<u>Votes</u>
Battle Ground	1,334	0.77
Clarks Hill	611	0.35
Dayton	1,420	0.82
Lafayette	67,140	38.87
Otterbein (<i>Tippecanoe Co</i>)	367	0.21
Shadeland	1,610	0.93
West Lafayette	42,010	24.31
Tippecanoe County	58,288	33.74
Total	172,780	100.00

Note: Population from State Wheel & Sur Tax Distribution Formula

Indiana Code 6-3.6-6-2 Maximum Rate of Income Tax

Sec. 2. (a) This section applies to all counties.

(b) The adopting body may impose a tax rate under this chapter that does not exceed:

(1) two and five-tenths percent (2.5%) in all counties other than Marion County; and

(2) two and seventy-five hundredths percent (2.75%) in Marion County;

on the adjusted gross income of local taxpayers in the county served by the adopting body.

As added by P.L.243-2015, SEC.10.

2019 Local Income Tax Statewide Total Rates

	County	Total Rate		County	Total Rate		County	Total Rate		County	Total Rate
1	Pulaski	3.3800%	24	Wells	2.1000%	47	Starke	1.7100%	70	Vigo	1.2500%
2	Decatur	3.0700%	25	Fountain	2.1000%	48	Hancock	1.7000%	71	Posey	1.2500%
3	Wabash	2.9000%	26	Carroll	2.0733%	49	LaGrange	1.6500%	72	Vanderburgh	1.2000%
4	Jasper	2.8640%	27	Marion	2.0200%	50	Adams	1.6240%	73	Floyd	1.1500%
5	Morgan	2.7200%	28	Clark	2.0000%	51	Blackford	1.5000%	74	Tippecanoe	1.1000%
6	Parke	2.6500%	29	Elkhart	2.0000%	52	Daviess	1.5000%	75	Crawford	1.0000%
7	Tipton	2.6000%	30	Washington	2.0000%	53	Delaware	1.5000%	76	Dubois	1.0000%
8	Miami	2.5400%	31	Putnam	2.0000%	54	Franklin	1.5000%	77	Hamilton	1.0000%
9	Brown	2.5234%	32	Fulton	1.9300%	55	Henry	1.5000%	78	Harrison	1.0000%
10	Cass	2.5000%	33	Perry	1.8100%	56	Shelby	1.5000%	79	Johnson	1.0000%
11	Jennings	2.5000%	34	Benton	1.7900%	57	Vermillion	1.5000%	80	Knox	1.0000%
12	Jay	2.4500%	35	Steuben	1.7900%	58	Wayne	1.5000%	81	Kosciusko	1.0000%
13	Fayette	2.3700%	36	Bartholomew	1.7500%	59	Boone	1.5000%	82	Newton	1.0000%
14	Montgomery	2.3000%	37	Lawrence	1.7500%	60	Hendricks	1.5000%	83	Switzerland	1.0000%
15	Grant	2.2500%	38	Madison	1.7500%	61	Lake	1.5000%	84	LaPorte	0.9500%
16	Clay	2.2500%	39	Noble	1.7500%	62	Whitley	1.4829%	85	Spencer	0.8000%
17	Clinton	2.2500%	40	Union	1.7500%	63	Allen	1.4800%	86	Pike	0.7500%
18	Randolph	2.2500%	41	Greene	1.7500%	64	Ripley	1.3800%	87	Gibson	0.7000%
19	Scott	2.1600%	42	Howard	1.7500%	65	Monroe	1.3450%	88	Dearborn	0.6000%
20	DeKalb	2.1300%	43	Huntington	1.7500%	66	White	1.3200%	89	Sullivan	0.6000%
21	Warren	2.1200%	44	Martin	1.7500%	67	Owen	1.3000%	90	Porter	0.5000%
22	Jackson	2.1000%	45	Orange	1.7500%	68	Marshall	1.2500%	91	Warrick	0.5000%
23	Rush	2.1000%	46	St Joseph	1.7500%	69	Ohio	1.2500%	92	Jefferson	0.3500%

IC 6-3.6-3-8 Local income tax council; resolution to propose an ordinance; distribution of copy of ordinance; vote

Sec. 8. (a) This section applies to a county in which the county adopting body is a local income tax council.

(b) Any member of a local income tax council may present an ordinance for passage. To do so, the member must adopt a resolution to propose the ordinance to the local income tax council and distribute a copy of the proposed ordinance to the county auditor. The county auditor shall treat any proposed ordinance distributed to the auditor under this section as a casting of all that member's votes in favor of the proposed ordinance.

(c) The county auditor shall deliver copies of a proposed ordinance the auditor receives to all members of the local income tax council within ten (10) days after receipt. Subject to subsection (d), once a member receives a proposed ordinance from the county auditor, the member shall vote on it within thirty (30) days after receipt.

(d) If, before the elapse of thirty (30) days after receipt of a proposed ordinance, the county auditor notifies the member that the members of the local income tax council have cast a majority of the votes on the local income tax council for or against the proposed ordinance, the member need not vote on the proposed ordinance.

As added by P.L.243-2015, SEC.10.

TIPPECANOE COUNTY COUNCIL RESOLUTION NO. 2019-19-CL

RESOLUTION TO INTRODUCE AND CAST THE VOTES OF THE TIPPECANOE COUNTY COUNCIL IN FAVOR OF TIPPECANOE COUNTY INCOME TAX COUNCIL ORDINANCE TO ADD PUBLIC SAFETY ALLOCATION RATE TO LOCAL INCOME TAX RATE

WHEREAS, the Tippecanoe County Council wishes to exercise its rights as a member of the Tippecanoe County Income Tax Council to introduce an ordinance to impose an income tax in support of public safety and to vote in favor of said ordinance; and

WHEREAS, the Tippecanoe County Council did hold a public hearing on the proposed County Income Tax Council ordinance on September 10, 2019, at 8:30 A.M. at the Tippecanoe County Office Building, 20 N. 3rd Street, Lafayette, Indiana pursuant to the requirements of IC 6-3.6-3-8 with proper notice having been provided pursuant to IC 5-3-1.

ORDINANCE NO. 2019-01-TCITC

AN ORDINANCE OF THE TIPPECANOE COUNTY INCOME TAX COUNCIL MODIFYING LOCAL INCOME TAX RATES OF TIPPECANOE COUNTY

BE IT ORDAINED by the Income Tax Council of Tippecanoe County, Indiana that a need now exists to modify the local income tax rates imposed in the following way:

Allocation Rate Category	Existing LIT Rate	Proposed LIT Rate
Certified Shares (IC 6-3.6-6)	0.5589%	0.5589%
Public Safety (IC 6-3.6-6)	N/A	0.1800%
Economic Development (IC 6-3.6-6)	0.4000%	0.4000%
Property Tax Relief Rate (IC 6-3.6-5)	0.1411%	0.1411%

The local income tax rates proposed above will become effective on January 1, 2020.

APPLICATION OF PROPERTY TAX RELIEF BETWEEN ALLOCATION CATEGORIES (**Unchanged**) Property Tax Credit Allocation Categories (IC 6-3.6-5-6)

	Existing % of Rev	Proposed % of Rev
1% Allocation Type Homesteads eligible for a credit under IC 6-1.1-20.6-7.5	100%	100%

Effective Date of LIT Ordinances

- Adopted January 1 to August 31, 2019:
Effective October , 2019;
- Adopted September 1 to October 31, 2019:
Effective January 1, 2020;
- Adopted November 1 to December 31, 2019:
Effective October 1, 2020

Let's use hypothetical Van Dorp county as an example. Inexplicably, Van Dorp county has no LIT as of January 1, 2019. As the county considered implementing a LIT there are two fair questions to ask. The first is when will the taxpayers start paying the new LIT rate, and the second is when will we start receiving our monthly LIT distributions from the State.

Table 1 speaks to the taxpayers. If the Adopting body takes action in those windows, this is when the taxpayers will see the change.

Table 1

Adoption Period Start	Adoption Period End	Effective Date
January 1, Year 1	August 31, Year 1	October 1, Year 1
September 1, Year 1	October 31, Year 1	January 1, Year 2
November 1, Year 1	December 31, Year 1	October 1, Year 2

Table 2 speaks for the units. If the adopting body takes action in those windows, this is when the units will start to see the impact of those changes.

Table 2

Adoption Period Start	Adoption Period End	Effective Date
January 1, Year 1	November 1, Year 1	January 1, Year 2
November 2, Year 1	December 31, Year 1	January 1, Year 3

With all the property taxes I pay, why would you now need more taxes?



The Property Tax Levy (amount of taxes
billed each year) increases by the Statewide
Six year Non-Farm Income Growth Rate

Property Tax

<u>Billing Year</u>	<u>AV Growth</u>	<u>Levy Change</u>
2020	3.5%	3.5%
2019	2.0%	3.4%
2018	0.8%	4.0%
2017	3.2%	3.8%
2016	2.6%	2.6%
2015	4.7%	2.7%
2014	4.1%	2.6%

*Tippecanoe County Public Safety
as Percentage of Total General Fund*

2018	42.4%	2013	39.2%
2017	40.2%	2012	38.9%
2016	39.6%	2011	38.8%
2015	39.8%	2010	37.5%
2014	39.4%	2009	37.4%

2017 New Public Safety Positions Added (6):

Sheriff Merit Deputies (2 positions)
Sheriff Courthouse Security Officer
Probation Officers (2 positions)
Community Corrections Officer



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2018 New Public Safety Positions Added(1):

Court Services Administrative Assistant

2019 New Public Safety Positions Added (17):

Sheriff Merit Deputy

Jail Deputies (5 positions)

Sheriff Courthouse Security Officer

Prosecuting Attorney (4 positions)

Public Defenders (4 positions)

Community Corrections Officers (2 positions)

2020 New Public Service Positions Added (7):

Sheriff Merit Deputies (2 positions)

Jail Corrections Officers (2 positions)

Sheriff Sex Offender Registry/Property position

Probation Officer

Court Services Drug & Alcohol Evaluator

*2020 Public Safety Positions Requested but Not
Approved by the County Commissioners (14):*

Sheriff Merit Deputy

Jail Corrections Officers (4 positions)

Sheriff E911 Communications Officer (2 positions)

Prosecuting Attorney (4 positions)

Prosecutor Legal Assistant (3 positions)

Tippecanoe County Sheriff Retirement

2011	\$654,019	2016	\$861,650
2012	\$644,984	2017	\$893,382
2013	\$686,668	2018	\$927,876
2014	\$687,063	2019	\$1,075,920
2015	\$808,142	2020	\$1,223,569

87% increase from 2011 to 2020

Public Safety Historical Costs

Year	Prosecutor	Public Defender	Sheriff & Jail	Total	Change
2018	\$2,454,313	\$2,613,579	\$12,547,913	\$17,615,805	12.3%
2017	\$2,288,423	\$1,925,227	\$11,474,189	\$15,687,839	6.4%
2016	\$2,194,572	\$1,689,669	\$10,858,508	\$14,742,749	2.7%
2015	\$2,114,474	\$1,659,148	\$10,582,015	\$14,355,637	7.7%
2014	\$2,008,958	\$1,553,490	\$9,772,340	\$13,334,789	6.1%
2013	\$1,822,709	\$1,472,307	\$9,275,011	\$12,570,027	2.9%
2012	\$1,723,745	\$1,426,375	\$9,065,511	\$12,215,632	1.9%
2011	\$1,696,211	\$1,395,920	\$8,895,815	\$11,987,946	-0.2%
2010	\$1,715,788	\$1,373,219	\$8,924,452	\$12,013,460	
1995	\$662,672	\$319,478	\$3,851,167	\$4,833,317	

Estimation of 2020 0.18% Public Safety Revenue

(Based on 2020 Estimated EDIT Distribution)

Tippecanoe County	\$3,991,600
City of Lafayette	\$3,174,000
City of West Lafayette	\$ 971,900
Town of Battle Ground	\$ 38,200
Town of Clarks Hill	\$ 7,800
Town of Dayton	\$ 21,900
Town of Otterbein	\$ 12,900
Town of Shadeland	\$ 42,000
Total	\$8,260,300



Public Safety



A fire department, volunteer fire department, or emergency medical services provider that:

- (1) Provides fire protection or medical services within the county; and
- (2) Is operated by or services a political subdivision that is not otherwise entitled to receive a public safety LIT distribution;

May before July 1 of a year, apply to the adopting body for a distribution of public safety revenue in the following year.

The adopting body may authorize such distributions before September 1.

An example would be the Fire Protection Territory (Tippecanoe Township, Battle Ground, Perry Township, Washington Township and Sheffield Township) or other Township Fire Departments.

Estimated Impact on \$40,000 Income

Adjusted Gross Income Tax Example	\$40,000
Indiana Income Tax Exemption (<i>single filer</i>)	\$1,000
Renters Deduction / Property Tax Paid	\$2,500
Current Local Option Income Tax (1.1%)	\$402
Income Tax with <u>0.18%</u> increase	\$467
Income Annual Tax Increase	\$65
Monthly impact	\$5.42



Potential Impacts

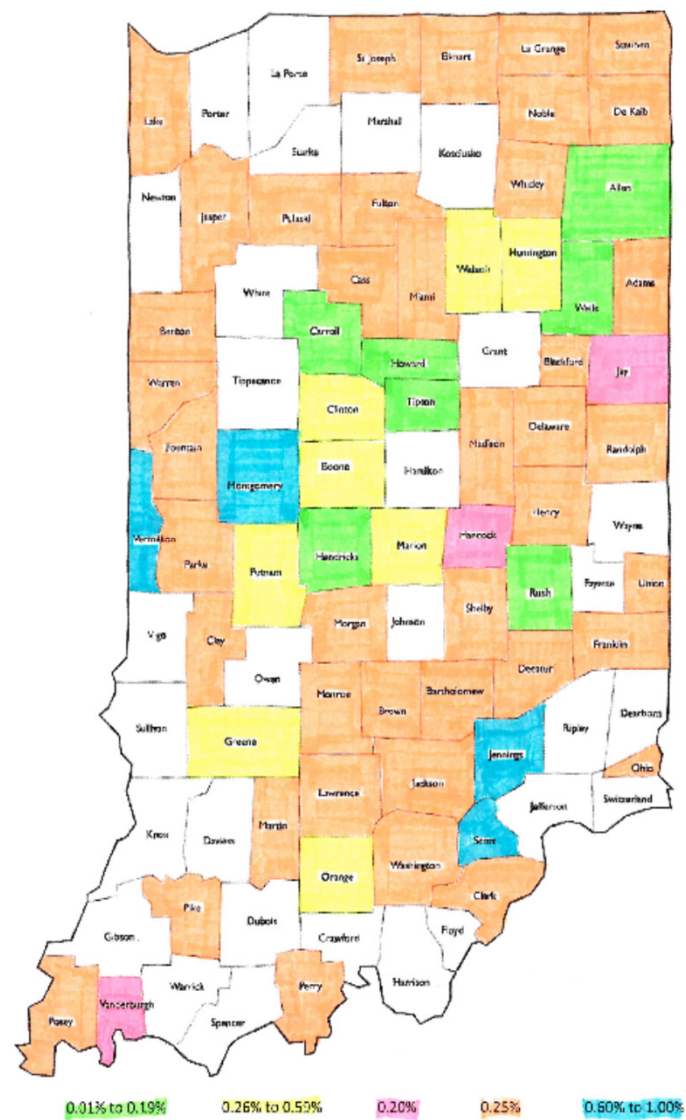
- Increased Law Enforcement on the streets
- Reduced property taxes if current township fire rates were reduced or eliminated if townships were to receive a share of the added tax collections
- Protect the current non-law enforcement programs as General Fund resources became available
- Even with a 0.18% increase, Tippecanoe County would still have the 68th lowest Local Income Tax Rate in the State (out of 92)
- In addition to potentially adding law enforcement positions, a new court is created for 2021 by the General Assembly and property tax cannot be increased to fund the new court

Benefits

- Income tax is paid by all working citizens and not just property owners
- Low impact on fixed income citizens
- Being an income tax, paid over time rather than just twice a year like property tax

Downside

- Business and Industry would not pay the tax
- Non-County residents who work in Tippecanoe County would not pay the tax



http://www.tippecanoe.in.gov/174/Auditor

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Auditor

Thank you for your interest in your local government. The purpose of this page is to allow the taxpayers of Tippecanoe County an opportunity to access information available from the Auditor's Office using the available technology.


Welcome to the Tippecanoe County Auditor's Office

Responsibilities

The Auditor is the Chief Financial Officer of the County. The staff is responsible for:

- Calculating property tax for all real, personal, mobile home, drainage and special assessment records
- Completing annual reports for review by the State Board of Accounts
- Controlling distributions of tax collections, special assessments, and special revenue collections for all units of government within Tippecanoe County, including the Cities of Lafayette and West Lafayette and 3 full and one shared school districts
- Creating financial statements for the county
- Handling all receipts and disbursements of county funds
- Handling all transfers of ownership of real property
- Maintaining property boundary information on the County GIS system
- Processing payroll for all county employees

CONTACT US



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